

FINANCIAL STATEMENTS
OF
CENTERS AGAINST ABUSE AND
SEXUAL ASSAULT
SPENCER, IOWA
AT
JUNE 30, 2009 AND 2008
WITH INDEPENDENT AUDITORS' REPORT THEREON

TABLE OF CONTENTS

	Page
Officials and Board of Directors	1
Independent Auditors' Report	2-3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7-8
Notes to Financial Statements	9-14
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	15-17
Schedule of Findings	18-20

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Deb Eastin	President	2009
Ramona Schuett	Vice-President	2013
Ann Holck	Treasurer	2010
Jen Anderson	Secretary	2012
Jean Miller	Board Member	2011
Avis Davis	Board Member	2010
Cara Gierlock	Board Member	2012
Vicki Roberts	Board Member	2011
Dorothy Olson	Board Member	2011
Martin Sievers	Board Member	2010
Betty Waller	Board Member	2011
Rhonda Dean	Executive Director	Indefinite

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centers Against Abuse and Sexual Assault
Spencer, Iowa

We have audited the accompanying statements of financial position of the Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years ended June 30, 2009 and 2008. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Centers Against Abuse and Sexual Assault at June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2009 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

September 23, 2009

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS:		
Cash in Bank and Cash on Hand	\$ 70,003	\$ 33,980
Certificates of Deposit	30,794	29,937
Receivables - Federal Grants	21,522	34,199
Receivables - State Grants	30,540	4,224
Accrued Interest Receivable	111	124
Due From Related Party	0	1,852
Prepaid Expenses	<u>1,801</u>	<u>2,503</u>
TOTAL CURRENT ASSETS	\$ 154,771	\$ 106,819
PROPERTY AND EQUIPMENT:		
Land	\$ 107,500	\$ 107,500
Buildings and Improvements	802,152	802,152
Equipment and Furniture	<u>116,128</u>	<u>115,276</u>
TOTAL	\$1,025,780	\$1,024,928
LESS - Accumulated Depreciation	<u>(394,137)</u>	<u>(361,551)</u>
NET PROPERTY AND EQUIPMENT	\$ 631,643	\$ 663,377
TOTAL ASSETS	\$ 786,414	\$ 770,196
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 6,345	\$ 9,418
Accrued Payroll Taxes and Benefits Payable	6,954	3,372
Accrued Salaries Payable	0	7,561
Accrued Compensated Absences Payable	<u>21,783</u>	<u>30,347</u>
TOTAL CURRENT LIABILITIES	\$ 35,082	\$ 50,698
NET ASSETS:		
Unrestricted	\$ 744,092	\$ 712,074
Temporarily Restricted by Donors	<u>7,240</u>	<u>7,424</u>
TOTAL NET ASSETS	\$ 751,332	\$ 719,498
TOTAL LIABILITIES AND NET ASSETS	\$ 786,414	\$ 770,196

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
SUPPORT:		
Grants:		
Federal	\$ 185,373	\$ 226,129
State	278,878	202,801
Contributions:		
Local Governments	37,242	41,837
Other	107,540	111,453
Value of Contributed Services and Materials	<u>121,489</u>	<u>120,007</u>
TOTAL PUBLIC SUPPORT	<u>\$ 730,522</u>	<u>\$ 702,227</u>
REVENUES:		
Sales	\$ 80,284	\$ 79,343
Interest	874	1,380
Miscellaneous	3,636	4,127
Gain on Sale of Property	0	20,088
TOTAL REVENUES	<u>\$ 84,794</u>	<u>\$ 104,938</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 553</u>	<u>\$ 12,674</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 815,869</u>	<u>\$ 819,839</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 732,883	\$ 804,964
SUPPORT SERVICES:		
General and Administration	<u>50,968</u>	<u>44,849</u>
TOTAL EXPENSES	<u>\$ 783,851</u>	<u>\$ 849,813</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 32,018</u>	<u>\$ (29,974)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 350	\$ 5,421
Interest	19	29
Net Assets Released from Donor Restrictions	<u>(553)</u>	<u>(12,674)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ (184)</u>	<u>\$ (7,224)</u>
TOTAL CHANGE IN NET ASSETS	\$ 31,834	\$ (37,198)
NET ASSETS AT BEGINNING OF PERIOD	<u>719,498</u>	<u>756,696</u>
NET ASSETS AT END OF PERIOD	<u>\$ 751,332</u>	<u>\$ 719,498</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>PROGRAM EXPENSES</u>	<u>GENERAL AND ADMINI- STRATIVE</u>	<u>2009 TOTAL</u>	<u>2008 TOTAL</u>
Salaries	\$374,309	\$ 16,280	\$390,589	\$443,258
Payroll Taxes	31,069	1,351	32,420	35,172
Fringe Benefits	<u>17,094</u>	<u>743</u>	<u>17,837</u>	<u>36,851</u>
Total Personnel Expenses	\$422,472	\$ 18,374	\$440,846	\$515,281
Contributed Services and Materials	121,489	0	121,489	120,007
Dues and Subscriptions	2,864	0	2,864	2,237
Fundraising Expenses	19,715	0	19,715	11,350
Insurance	20,833	0	20,833	18,700
Interest	374	0	374	1,942
Miscellaneous	10,058	0	10,058	7,233
Supplies	11,183	1,382	12,565	30,415
Postage	0	0	0	1,912
Printing and Advertisements	366	45	411	2,293
Professional Fees	0	23,730	23,730	12,107
Rent	7,180	0	7,180	5,531
Equipment Rent	1,800	0	1,800	397
Repairs	16,656	0	16,656	16,497
Shelter Expenses	1,301	0	1,301	1,799
Staff Training	2,192	0	2,192	4,181
Telephone	8,029	992	9,021	14,291
Travel	21,679	7,226	28,905	24,350
Utilities	18,503	0	18,503	22,668
Homeless Prevention	<u>12,822</u>	<u>0</u>	<u>12,822</u>	<u>0</u>
TOTAL EXPENSES BEFORE DEPRECIATION	\$699,516	\$ 51,749	\$751,265	\$813,191
Depreciation	<u>32,586</u>	<u>0</u>	<u>32,586</u>	<u>36,622</u>
TOTAL EXPENSES	<u>\$732,102</u>	<u>\$ 51,749</u>	<u>\$783,851</u>	<u>\$849,813</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Federal Grants	\$ 198,050	\$ 206,623
Cash Received From State Grants	252,562	222,751
Cash Received From Local Governments	37,242	41,837
Cash Received From Sales	80,284	79,343
Interest Received	906	1,411
Other Receipts	3,636	1,275
Donations Received	107,890	116,874
Cash Paid to Employees and Suppliers	(644,316)	(677,602)
Interest Paid	<u>(374)</u>	<u>(1,965)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 35,880</u>	<u>\$ (9,453)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal Repayments	\$ (146,000)	\$ (231,349)
Proceeds From Loans	146,000	221,257
Loan to Related Party	0	(2,852)
Loan Repayment from Related Party	<u>1,852</u>	<u>1,000</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 1,852</u>	<u>\$ (11,944)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Property	\$ 0	\$ 44,081
Purchase of Capital Assets	(852)	0
Increase in Certificates of Deposit	<u>(857)</u>	<u>(997)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (1,709)</u>	<u>\$ 43,084</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 36,023	\$ 21,687
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>33,980</u>	<u>12,293</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 70,003</u>	<u>\$ 33,980</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 31,834	\$ (37,198)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:		
Depreciation	32,586	36,622
Gain on Sale of Property	0	(20,088)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(13,639)	443
Decrease in Accrued Interest Receivable	13	2
Decrease (Increase) in Prepaid Expenses	702	(367)
(Decrease) in Accounts Payable	(3,073)	(4,436)
(Decrease) Increase in Salaries and Benefits Payable	(3,979)	5,760
(Decrease) Increase in Compensated Absences Payable	(8,564)	9,832
(Decrease) in Accrued Interest Payable	<u>0</u>	<u>(23)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 35,880</u>	<u>\$ (9,453)</u>

NON-CASH ACTIVITIES:

During the fiscal years June 30, 2009 and 2008, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four-county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA became the Executive Director of the new organization for eight counties. A new board was formed from the two prior boards to govern the organization. The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services.

Financial Statement Presentation

The accompanying financial statements have been presented and prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, if measurable.

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Center does not use fund accounting.

Contributions

The Center has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2009 and 2008.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2009 and 2008 are as follows:

CLASSES OF ASSETS	DEPRECIATED COSTS		ESTI- MATED LIVES	DEPRECIATION EXPENSE	
	2009	2008		2009	2008
Land	\$107,500	\$107,500	-	\$ 0	\$ 0
Buildings and Improvements	513,472	542,435	10-40	28,963	31,409
Equipment and Furniture	<u>10,671</u>	<u>13,442</u>	5-7	<u>3,623</u>	<u>5,213</u>
	<u>\$631,643</u>	<u>\$663,377</u>		<u>\$ 32,586</u>	<u>\$ 36,622</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Centers Against Abuse and Sexual Assault is a nonprofit organization that is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Contributed Services

A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Donated Services and an offsetting expense, In-Kind Expenditure - Volunteers. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2009 and 2008 CAASA recognized \$99,594 and \$102,541, respectively as the value of volunteer services.

Compensated Absences

Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2009 and 2008.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Center is heavily reliant on federal, state and local funding.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

During the fiscal year ended June 30, 2009, the Center leased new office space in Storm Lake. The lease is for three years, but it may be terminated by either party after one year. Contingent rent payments at June 30, 2009 and June 30, 2008 are \$4,400 and \$-0-, respectively.

Previously, the Center rented space for the Storm Lake office under an operating lease. The lease was on a month to month basis. The Center also rented storage units in Cherokee and Spencer. The operating lease expense is \$7,180 and \$5,531 for the years ended June 30, 2009 and 2008, respectively.

NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2009 and 2008, the Center reported the following federal and state government support:

	<u>2009</u>	<u>2008</u>
Federal:		
Victims of Crime Assistance (VOCA)	\$109,784	\$147,659
Violence Against Women Act (VAWA)	25,729	27,270
Family Violence Prevention	<u>49,860</u>	<u>51,200</u>
	<u>\$185,373</u>	<u>\$226,129</u>
State:		
Domestic Abuse	\$139,200	\$112,613
Sexual Assault	62,108	49,115
Emergency Shelter Grant Program (ESGP) and Homeless Shelter Operations Grants Program (HSOG)	45,261	13,000
Rape Prevention Education (RPE)	13,520	12,084
Prevent Child Abuse	<u>18,789</u>	<u>15,989</u>
	<u>\$278,878</u>	<u>\$202,801</u>

NOTE 4 - RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA) retirement plan for all eligible employees. The Company matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$7,471 and \$6,554 for the fiscal years ended June 30, 2009 and 2008, respectively.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 5 - RISK MANAGEMENT

The Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 - NOTE PAYABLE

The Center has a line of credit of \$50,000 at Farmers Trust and Savings Bank. It is dated January 7, 2009, and it matures on January 7, 2010. The interest rate is prime, and the unpaid balance at June 30, 2009 is \$-0-.

The Center had a line of credit of \$30,000 at Northwest Bank. They renewed it June 5, 2008, and it matured June 1, 2009. It was repaid January 26, 2009. The interest rate was prime, and the unpaid balance at June 30, 2008 was \$-0-.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Donor Restricted	\$ 50	\$ 0
Restricted For Use In Designated County	<u>300</u>	<u>5,421</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 350</u>	<u>\$ 5,421</u>

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

	<u>2009</u>	<u>2008</u>
PURPOSE RESTRICTION ACCOMPLISHED:		
Specific Activity	\$ 50	\$ 2,225
Specific Counties	<u>503</u>	<u>10,449</u>
TOTAL RESTRICTIONS RELEASED	<u>\$ 553</u>	<u>\$ 12,674</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 8 - RELATED PARTY TRANSACTIONS

As part of the merger between CAASA and CADA, effective July 1, 2006, the fiscal monitor for CADA became the fiscal monitor of the new organization. In performing her duties, she noted two unauthorized personal disbursements by the Executive Director. They totaled approximately \$1,400 and they were repaid through payroll deductions during the year ended June 30, 2007. In the fall of 2007, the Executive Director resigned her position.

The new Executive Director examined three years of Wal-Mart charges by the former Executive Director for unauthorized personal charges. The Center identified additional charges of \$2,852. Arrangements were made for the former director to repay the full amount. The former director paid approximately \$250 per month. No charges were filed. At June 30, 2009 and 2008, the balance due from this former employee was \$-0- and \$1,852, respectively.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors of
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2009, and have issued our report thereon dated September 23, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Centers Against Abuse and Sexual Assault's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Centers Against Abuse and Sexual Assault's financial statements that is more than inconsequential will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items A, B, C and D are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse and Sexual Assault's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we expressed our conclusions on the Center's responses, we did not audit Center's Against Abuse and Sexual Assault's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Centers Against Abuse and Sexual Assault and other parties to whom the Center may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

September 23, 2009

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- A. Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. The Director of the Center may perform incompatible duties.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. We also realize the Center currently uses outside accounting services to better segregate accounting functions. The Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - While segregation of duties remains difficult with a limited number of office employees, we have reviewed and revised financial policies to include clear checks and balances regarding grant claims and accounts payable. The outsourcing of our bookkeeping to an independent accounting firm will assist with accountability issues. The Clay County Coordinator opens all mail and performs all deposits of donations received.

Conclusion - Response accepted.

- B. Accounting - Outside accounting service did not record depreciation expense, recorded a certificate of deposit twice, did not agree bank reconciliation to the general ledger, moved a deposit to a previous fiscal year (data entry error) and recorded interest income through August 31, 2009 instead of June 30, 2009.

Recommendation - The Center needs accurate accounting records during the year.

Response - CAASA Executive Director will bring the errors to the accounting services attention. The director will request the accounting firm to review quarterly records for accuracy.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

SIGNIFICANT DEFICIENCIES - CONTINUED:

- C. Restricted Donations - Recordkeeping for donated services and donated materials should be complete and reported in the general ledger. Restricted donations should be recorded separately and used for their restricted purposes.

Recommendation - The Center should make every effort to record and value all donated services and materials received. Any donor restrictions should be recorded. These donations should be accounted for separately and used for their restricted purposes.

Response - From this point forward, donations that are designated for a specific purpose will be deposited in a restricted income account. They will then be recorded by the accountant as restricted.

Conclusion - Response accepted.

- D. Grants - Not all grants awarded were used by the Center. Not all grant reports were filed by their due dates.

Recommendation - The Center should try to use all of its grant awards to maximize the benefits for its clients. The Center should file grant reports on a timely basis or note any extensions received from grantors to insure grant reimbursements.

Response - The Center has put internal controls in place to monitor grant expenditures in a more detailed manner. The grant reports will be submitted timely.

Conclusion - Response accepted.

- E. Flex Time - During the current fiscal year, the Center's employees accumulated flex hours in excess of the Center's policy handbook.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

SIGNIFICANT DEFICIENCIES - CONTINUED:

E. Flex Time - Continued:

Recommendation - The Center needs to follow handbook policies and not continue to accrue excess flex time on employee benefit tally sheets.

Response - The Center has implemented a policy of using all accumulated flex time within three months of acquiring it or the staff person loses that time. This policy continues to be implemented.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.

September 23, 2009

To the Board of Directors
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault for the fiscal year ended June 30, 2009 and have issued our report thereon dated September 23, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 1, 2009, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles.

As part of our audit, we considered the internal control of Centers Against Abuse and Sexual Assault. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Centers Against Abuse and Sexual Assault are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2009. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The accounting estimates used by Centers Against Abuse and Sexual Assault are described in Note 1 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Executive Board and management of Centers Against Abuse and Sexual Assault and is not intended to be and should not be used by anyone other than these specified parties.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

September 23, 2009

